

Taxing Entity Committee

Redevelopment Agency of
Tremonton City, Utah

Minutes

June 26, 2006

3:00 p.m.

Box Elder County School District Building

960 South Main

Brigham City, Utah 84302

1 Max Weese, Chair of the Tremonton City Redevelopment Agency, called the meeting of the Tremonton Redevelopment Agency TEC Committee to order at 3:00 p.m., and welcomed the following who were in attendance at the meeting: Christine Richman, Jeff Reese, Paul Fulgham, Larry Newton, Cathy Dudley, Clinton Burt, Lyle Holmgren, Ron Frandsen, Martell Menlove, and Darlene Hess.

2 Approval of the minutes of the June 12, 2006 Taxing Entity Committee

Max Weese asked if there were any additions or corrections to the minutes of the June 2, 2006 Taxing Entity Committee Meeting.

Larry Newton asked that the sentence at the top of page two be corrected to read:

The 10 year plan and the 12 years noted in the draft plan were discussed noting the 2-year difference of property will actually be on the tax rolls.

Motion by Martell Menlove to make the changes as noted. Second by Jeff Reese. Motion unanimously approved.

3 West Liberty Foods Project Update and review of adopted Project Area Plan

Christine Richman told the Committee that the Tremonton Redevelopment Board held a Plan and Budget public hearing on June 20, 2006. There were changes in the Plan which were discussed at that meeting. Ms. Richman will get the changes to the Committee by the end of the week. The Plan and Budget were adopted with a note that an amount “not to exceed” would be set by this Committee at their next meeting. Ms. Richman told the Committee that there were no comments from the Board at the public hearing on the Plan or Budget which the Agency approved.

Motion by Jeff Reese to accept the Adopted Project Area Plan. Second by Lyle Holmgren. Motion unanimously approved.

4 Discussion and adoption of West Liberty Foods Project Area Budget

Christine Richman told the Committee that the Budget they received in their packet did not have the established West Liberty Foods cost listed based on their anticipated investment in the property. They are still designing and the budget is based on their estimate of what it will cost them to build. Ms. Richman told the Committee that West Liberty Foods' figures are generally low and suggested that the Committee set the limit at a higher amount than what West Liberty Foods has listed it for. Ms. Richman told the Committee that the administration cost should be firm at \$200,000 and 20% of the cost will go for housing. The Committee is to set an amount not to exceed at this meeting.

A discussion followed on reduction in acreage and cost of construction, West Liberty Foods hiring more employees with a smaller facility, what the ceiling cap should be or if a cap is needed. Mr. Menlove told the Committee that an amount "not to exceed" needs to be high enough not to discourage investment. He felt that a ceiling may not be the issue. The length of the agreement is the issue as the return is more.

Martell Menlove moved for the Taxing Entity Committee to approve a term not to exceed ten year tax increments with no limit on the amount. \$200,000 will go to Tremonton City for administration costs and 20% for low incoming housing. Second by Clinton Burt. Motion unanimously approved.

5 Discussion of Malt-O-Meal Project Area Budget amendment

Christine Richman informed the Committee that the public hearing on the Malt-O-Meal Project Area Budget is scheduled for August 1, 2006. A copy of the draft was in the packets sent to Committee members. Ms. Richman told the Committee that what Malt-O-Meal has requested is a three-year extension from seven to ten years on their tax increment. The original budget had a negotiated "not to exceed amount" which they project to reach in 2008, and a budget period scheduled to go to 2009.

Larry Newton moved to allow Malt-O-Meal a three-year extension from seven years to a ten-year tax increment. Second by Martell Menlove.

Additional discussion pursued on:

- a. Original budget was 70% instead of 100% with 30% flow through to taxing entities. This allows them to capture 100% with a hard cap amount.
- b. Breakout of the budget.
- c. Need for a cap in the agreement.
- d. This is a \$40,000,000 increased value in investment in what Malt-O-Meal plans to do.

Amended motion by Larry Newton to extend the agreement to a ten-year period with no cap remaining at 70%. 30% to go to the taxing entities with no possible

extension on the term for this particular agreement. Second by Martell Menlove. Vote: Larry Newton - aye, Max Weese - aye, Jeff Reese - aye, Martell Menlove - aye, Ron Frandsen - aye, Clinton Burt - aye. Motion unanimously approved.

Clint Burt asked the Committee how much this means in a dollar amount to the Bear River Water Conservancy District. Ms. Richman informed Mr. Burt that the District will receive \$5562 this year in addition to what they would normally get.

6. Adjourn

Motion by Larry Newton to adjourn the meeting. Second by Lyle Holmgren. Motion unanimously approved. Meeting adjourned at 3:45 p.m.

Clark Davis and Garth Day came to the meeting at 3:47 p.m.

The undersigned duly acting and appointed secretary for the Taxing Entity Committee hereby certifies that the foregoing is a true and correct copy of the minutes of the Taxing Entity Committee Meeting held on the above referenced date.

Dated this _____ day of _____, 2007.

Darlene S. Hess, Secretary